



County of Los Angeles
CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

January 29, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST FOR APPROVAL OF
AMENDMENT NO. 1 TO AGREEMENT NO. H-207630 WITH HCSG
CARDIOVASCULAR RESOURCES, INC., FOR THE PROVISION OF
INTRA-AORTIC BALLOON PUMP AND CLINICAL PERFUSION
TECHNICIAN SERVICES AT HARBOR-UCLA MEDICAL CENTER
(SUPERVISORIAL DISTRICT 4)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Health Services, or his designee, to sign the attached Amendment No. 1 to Agreement No. H-207630 with HCSG Cardiovascular Resources, Inc. (HCSG), substantially similar to Exhibit I, for the provision of intra-aortic balloon pump (IABP) and clinical perfusion technician (CPT) services at Harbor-UCLA Medical Center (Harbor), effective February 1, 2008 through July 31, 2008, with a maximum County obligation of \$576,039.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of Amendment No. 1 to Agreement No. H-207630 will ensure the continuation of IABP and CPT services at Harbor through July 31, 2008. The existing Agreement with HCSG is scheduled to expire on January 31, 2008.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FISCAL IMPACT/FINANCING

The maximum County obligation for the six-month extension period is \$576,039. Funding is included in the Fiscal Year 2007-08 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since 1982, the County has contracted with various providers for IABP and CPT services for County medical centers.

As a result of a competitive bid process, on July 18, 2002, the Board approved an agreement with Fresenius Medical Care Cardiovascular Resources, Inc., d/b/a FMC Extracorporeal Alliance (Fresenius) for the provision of IBAP and CPT services at Harbor in the amount of \$1,152,078 for the period effective August 1, 2002 through July 31, 2007. The agreement included a provision to extend the term of the agreement beyond the expiration date for a period not to exceed six-months, upon the mutual agreement of the parties.

On May 9, 2007, a stock purchase agreement was approved between Fresenius and EA Holdings Inc., d/b/a HCSG Cardiovascular Resources, Inc.

On July 13, 2007, the Department of Health Services (DHS or Department) obtained written consent from EA Holdings Inc., d/b/a HCSG Cardiovascular Resources, Inc. to extend Agreement No. H-207630 effective August 1, 2007 through January 31, 2008. All other contract terms and conditions remained unchanged during the extension period.

Attachment A provides additional information.

County Counsel has approved Exhibit I as to use and form.

The Agreement may be terminated by either party with the provision of 30 days prior written notice.

CONTRACTING PROCESS

The current services were obtained as a result of a competitive bid process for IABP and CPT services released on August 20, 2001.

During the recommended extension period, DHS plans to conduct a Request for Information solicitation process in an effort to determine where there may be other qualified service providers.

Honorable Board of Supervisors
January 29, 2008
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of Amendment No. 1 to Agreement No. H-207603 will allow the Department to continue with uninterrupted IABP and CPT services at Harbor.

CONCLUSION

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:
SAS:AT:bjs

Attachments (2)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

012908_DHS_Ballon Pump

ATTACHMENT A

SUMMARY OF BOARD LETTER

1. Type of Services:

Intra-aortic balloon pump and clinical perfusion technician services at Harbor-UCLA Medical Center.

2. Address and Contact Person:

Courtney Vanderveer, SVP & CFO
HCSG Cardio Vascular Resources, Inc.
3100 West End Avenue, Suite 150
Nashville Tennessee 37203
Telephone/Fax: (615) 345-5588 – (615) 345-5565
e-mail: courtney.vanderveer@specialitycaresg.com

3. Term:

Effective February 1, 2008 through July 31, 2008.

4. Financial Information:

The maximum County obligation for the six-month extension period is \$576,039. Funding is included in the Fiscal Year 2007-08 Final Budget.

5. Accountable for Program Monitoring:

John F. Schunhoff, Chief Deputy, DHS

6. Primary Geographic Area to be Served:

4nd District

7. Approvals:

Harbor-UCLA Medical Center: Miguel Ortiz-Marroquin, Chief Executive Officer

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel: Richard K. Mason, Assistant County Counsel

Exhibit I

Contract No. H207630-1

**INTRA-AORTIC BALLOON PUMP AND CLINICAL PERFUSION TECHNICIAN
SERVICES AGREEMENT AT HARBOR-UCLA MEDICAL CENTER**

Amendment No. 1

THIS AMENDMENT is made and entered into this _____ day
of _____, 2008

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

HCSG CARDIOVASCULAR
RESOURCES, INC.
(hereafter "Contractor")

WHEREAS, reference is made to certain document entitled
"INTRA-AORTIC BALLOON PUMP AND CLINICAL PERFUSION TECHNICIAN
SERVICES", dated July 30, 2002, and further identified as County
Agreement No. H-207630, between the County and HCSG
Cardiovascular Resources, Inc., ("Contractor") and any Amendments
thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend
Agreement to extend the term of the Agreement and to revise the
maximum County obligation and make hereinafter designated
changes; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective on February 1, 2008 and shall remain in full force and effect to, and including July 31, 2008.
2. Paragraph 1, TERM, shall be revised as follows:

"1. TERM: The term of this Agreement shall commence upon Board approval and shall continue in full force and effect, unless sooner canceled or terminated as provided herein, to and including July 31, 2008."
3. Paragraph 5, MAXIMUM OBLIGATION OF COUNTY, shall be replaced in its entirety as follows:

"5. MAXIMUM OBLIGATION OF COUNTY: During the period August 1, 2002 through July 31, 2003, the maximum obligation of County for all services provided hereunder shall not exceed One Million, One Hundred Fifty-Two Thousand, and Seventy-Eight Dollars, (\$1,152,078). This sum represents the total maximum obligation of County as shown in Schedule I (Fee Schedule), attached hereto and incorporated herein by reference.

During the period August 1, 2003 through July 31, 2004, the maximum obligation of County for all services provided hereunder shall not exceed One Million, One Hundred Fifty-Two Thousand, and Seventy-Eight Dollars, (\$1,152,078). This sum represents the total

maximum obligation of County as shown in Schedule I (Fee Schedule), attached hereto and incorporated herein by reference.

During the period August 1, 2004 through July 31, 2005, the maximum obligation of County for all services provided hereunder shall not exceed One Million, One Hundred Fifty-Two Thousand, and Seventy-Eight Dollars, (\$1,152,078). This sum represents the total maximum obligation of County as shown in Schedule I (Fee Schedule), attached hereto and incorporated herein by reference.

During the period August 1, 2005 through July 31, 2006, the maximum obligation of County for all services provided hereunder shall not exceed One Million, One Hundred Fifty-Two Thousand, and Seventy-Eight Dollars, (\$1,152,078). This sum represents the total maximum obligation of County as shown in Schedule I (Fee Schedule), attached hereto and incorporated herein by reference.

During the period August 1, 2006 through July 31, 2007, the maximum obligation of County for all services Provided hereunder shall not exceed One Million, One Hundred Fifty-Two Thousand, and Seventy-Eight Dollars, (\$1,152,078). This sum represents the total

maximum obligation of County as shown in Schedule I (Fee Schedule), attached hereto and incorporated herein by reference.

During the period February 1, 2008 through July 31, 2008, the maximum obligation of County for all services provided hereunder shall be Five Hundred Seventy-Six Thousand and Thirty Nine Dollars (\$576,039), in accordance with Schedule I, attached hereto and incorporated herein by reference.

Program expenditures shall be in accordance with the description of services described in Attachment A for the program costs described in Schedule I, attached hereto and incorporated herein by reference. County reserves the right to adjust the allocation of program funds described in Schedule I only upon review and approval of Contractor's written request and justification. In such event, Contractor must submit their request to the Administrator according to the provision set forth in the Agreement under Paragraph 15, NOTICES."

4. Paragraph 49, CONTRACTOR RESPONSIBILITY AND DEBARMENT, shall be revised as follows:

"49. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor

demonstrated the attribute of trustworthiness as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed (3) years, and terminate any or all existing contracts the Contractor may have with the County.

C. The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following:

- (1) violated a term of contract with the County or a nonprofit corporation created by the County, (2)
- committed an act or omission which negatively reflects on the Contractor's quality, fitness or

capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicated a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contract may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented.

The Contractor and/or the Contractor's

representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor

shall be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors

G. These terms shall also apply to (subcontractors/ subconsultants] of County Contractors.

5. Paragraph 42, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be revised as

follows:

"42. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

A. Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this contract to comply with all applicable provision of law, Contractor warrants that it is now in compliance and shall during the term of this contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notice of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

B. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN

COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 33 "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" shall constitute default under this contract.

Without limiting the rights and remedies available to County Under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which County may terminate this contract pursuant to Paragraph 27B,

"TERMINATION FOR CONTRACTOR'S DEFAULT" and pursue debarment of Contractor pursuant to County Code Chapter 2.202."

6. Paragraph 56, SAFELY SURRENDERED BABY LAW shall be added to this Agreement as follows:

"56.SAFELY SURRENDERED BABY LAW: In accordance with County's goal to encourage the safe surrender of an unwanted newborn(s) (i.e., a baby[ies] seventy-two [72] hours old or less) by a mother or person with lawful custody to a designated safe haven site (e.g., all hospitals with emergency rooms, County fire stations, County medical centers, etc.) without fear of litigation and to further ensure that no newborn baby is ever abandoned in Los Angeles County; Contractor shall agree to notify and provide to all of its officers, employees, and agents, information on the Safely Surrendered Baby Law (also known as the Newborn Abandonment Law or Safe Haven Law) and its implementation within Los Angeles County. Contractor shall request and obtain from Director information and notices for notifying its officers, employees, and agents, on County's implementation of the Safely Surrendered Baby Law, as it now exist or may hereafter be amended, from time-to-time, but no less than on an annual basis.

7. Paragraph 24, PROHIBITION AGAINST ASSIGNMENT AND DELEGATION: shall be revised as follows:

"24. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under the Agreement shall be deductible, at County's sole discretion, against the claims which Contractor may have against County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Amendment, such disposition is an assignment requiring

the prior written consent of County in accordance with applicable provisions of this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

8. Paragraph 10, INDEMNIFICATION AND INSURANCE, shall be revised as follows:

"10. INDEMNIFICATION AND INSURANCE:

A. Indemnification: Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses

(including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

B. General Insurance Requirements: Without limiting Contractor's indemnification of County, and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

(1) Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Department of Health Services, Contracts and Grants Division, 313 N. Figueroa Street, 6th Floor-East, Los Angeles, California 90012, Attention: Chief, prior to commencing services under this Agreement. Such certificates or other evidence shall:

(a) Specifically identify this Agreement.

(b) Clearly evidence all coverages required in this Agreement.

(c) Contain the express condition that County is to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

(d) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insureds for all activities arising from this Agreement.

(e) Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond

shall be executed by a corporate surety licensed to transact business in the State of California.

(2) Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A: VII, unless otherwise approved by County.

(3) Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach.

Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

(4) Notification of Incidents, Claims or Suits: Contractor shall report to County:

(a) any accident or incident relating to services performed under this Agreement which

involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within 24 hours of occurrence.

(b) any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(c) any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to County contract manager.

(d) any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.

(5) Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

(6) Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and

all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(a) Contractor providing evidence of insurance covering the activities of subcontractors, or

(b) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

C. Insurance Coverage Requirements:

(1) General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate: \$2 million

Products/Completed Operations
Aggregate: \$1 million

Personal and Advertising Injury: \$1 million

Each Occurrence: \$1 million

(2) Automobile Liability insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage

for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

(3) Workers' Compensation and Employers'

Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

(4) Professional Liability: Insurance covering liability arising from any error, omission, negligent or wrongful act of Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement."

9. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer
HCSG CARDIOVASCULAR RESOURCES. INC
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
Raymond G. Fortner
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neil, Chief
Contracts and Grants Division

AMENDCD.ev: 1/8/08